

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2024**

Registered Housing Association No: HAL279

Financial Conduct Authority No: 2463R(S)

A Registered Scottish Charity No: SC033749

EAST KILBRIDE HOUSING ASSOCIATION LIMITED

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EAST KILBRIDE HOUSING ASSOCIATION LIMITED

THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2024

Members of Board

The members of the Board of the Association during the year to 31 March 2024 and to the date of this report were as follows:

Maureen Watson	Chair	
Lillian Delaney	Secretary	
Andy Bryant	Vice Chair	
Michael Gallagher	Vice Chair	
Pauline Hollinsworth	Member	
Maureen Donohoe	Member	
Lisa Irvine	Member	
David Young	Member	
Anne Marie O'Grady	Member	
Mandy Wright	Member	Resigned June 2023
Gill Hood	Member	
Michelle Campbell	Member	
Gregor McKenzie	Member	
Campbell Hall	Co-opted Member	
Danielle Calderwood	Co-opted Member	Joined November 2023
Mark McLean	Co-opted Member	Joined March 2024

EXECUTIVE OFFICER

Andy Young Chief Executive

REGISTERED OFFICE

2 Old Coach Road
East Kilbride
G74 4 DP

AUDITORS

Anderson Anderson & Brown Audit LLP 133 Finneston Street Glasgow G3 8HB	Quinn Internal Audit 4 Grosvenor Gardens Edinburgh EH12 5JU
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BANKERS

Lloyds Bank 2 nd Floor 25 Gresham Street London EC2V 7HN	Clydesdale Bank 30 St Vincent Place Glasgow G1 2HL
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SOLICITORS

T C Young
7 West George Street
Glasgow
G2 1BA

EAST KILBRIDE HOUSING ASSOCIATION LIMITED

REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISORS YEAR ENDED 31 MARCH 2024

The Board of Management presents their report on the audited Financial Statement for the year ended 31 March 2024

Legal status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. HAL279. The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SCO33749.

Principal activities

The principal activity of East Kilbride Housing Association Limited is to improve the quality of life and serve the needs of local people in East Kilbride and the surrounding area of South Lanarkshire by providing high quality social housing and related services and by assisting them in sustaining and strengthening their communities.

East Kilbride Housing Association Limited is registered with the Financial Conduct Authority as a Friendly Society, the Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social landlord.

Strategy and Objectives

East Kilbride's Board holds a review day annually to decide on the Association's strategy and objectives for the coming year and this feeds into the business plan. The agreed strategy and objectives for this year are shown below:

1. To secure our financial viability and long-term future by operating efficient, effective, and accountable financial management.
2. To maintain a broad membership base and actively support tenant and community involvement in the running of the Association.
3. To pursue opportunities to develop and expand activities which are financially viable, support our Mission Statement and are compatible with our rules.
4. To increase the provision of varied housing tenures, in partnership with other agencies where necessary.
5. To ensure the fabric of existing stock and design standards of future stock supports independent living and meets tenants' aspirations.
6. To provide caring, cost effective and high-quality services which put customers at the heart of everything we do.
7. To continually assess and increase the range of services offered to our customers.
8. To explore cost effective sustainable energy options to provide lower cost energy bills and reduce carbon emissions.
9. To improve and expand the opportunities for residents to participate in our activities at appropriate levels.
10. To ensure our Board and professional staff have the necessary skills, experience, knowledge, and training to successfully lead and manage the organisation.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS
YEAR ENDED 31 MARCH 2024**

Operational Review

This report details issues which have arisen during the year relating to the main activities undertaken.

1. Governance

East Kilbride Housing Association Limited (EKHA) is governed by a voluntary and unpaid Board of Management elected by the members of EKHA. It is the responsibility of the Board to decide on the future direction of the EKHA and undertake the development, monitoring and review of appropriate strategies and policies which support the chosen direction. The Board also monitors the operational activities of the EKHA quarterly and regularly undertakes relevant training and self-assessment of effectiveness of individual Board members and the effectiveness of the Board as a unit.

2. Corporate Activity

EKHA carries out a continuous, comprehensive self-assessment programme and a rolling programme of reviewing its policies and activities to ensure they are appropriate and relevant to the agreed strategy, in line with good practice and compliant with current and forthcoming legislation. The Association published its first Strategic Plan (2016-2019) in September 2015, and this was supported by an Operational Plan, which outlined how EKHA intended to fulfil its strategic targets. These plans were amalgamated into one business plan in 2020 and the plan is updated on an annual basis. The latest plan, for 2023-2024, was approved in March 2023.

3. Development

After several years of not developing any new properties, in 2019 EKHA embarked on a relatively modest ongoing development programme. The first two developments, Dundas Place, consisting of 18 flats, and 22 properties at Redwood Crescent are now complete. A larger site of 49 properties at Murray Court completed in April 2024, with more in the pipeline.

4. Housing

Arrears performance has remained good, despite straitened economic times. EKHA has established a Tenant Fund to provide mitigation for those most badly affected financially. From January 2023 EKHA has employed a full time Tenancy Sustainment Officer who has successfully generated additional income for our tenants.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS
YEAR ENDED 31 MARCH 2024**

5. Property Maintenance

EKHA has implemented and refined its planned and cyclical maintenance programme in line with the EESSH and EESSH 2 Delivery Plan. Landscaping and gas maintenance programmes continued on an annual basis. The planned and cyclical maintenance programme ensured that EKHA's properties all meet the Scottish Housing Quality Standard (SHQS) set out by the Scottish Government and look forward to further enhancing the energy efficiency of our properties in reaching the new EESSH targets. 98% of EKHA properties pass EESSH 1 (December 2020) with EESSH 2 having a target of December 2032 (currently under review).

6. Finance

EKHA has continued to refine its financial procedures within the financial year.

7. Other Areas

Credit Payment Policy

EKHA's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is within 30 days.

Maintenance Policies

EKHA seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs will be charged to the Income and Expenditure Account.

In addition, EKHA has a long-term programme of major repairs to cover for work which has become necessary since the original development was completed, including works required for subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. The costs of these repairs would be charged to the Income and Expenditure Account, unless it was agreed they could be capitalised within the terms outlined in the Statement of Recommended Practice for Registered Social Landlords.

EKHA intends to introduce an Asset Management Strategy before the end of 2024/25.

Budgetary Process

Each year the Board of Management approves the annual budget and rolling three-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of Management of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure, and treasury management.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS
YEAR ENDED 31 MARCH 2024**

Risk Management

EKHA has developed a detailed Risk Management Strategy. This is reviewed on an annual basis with individual Risk Assessments being carried out for new areas of activity. An annually reviewed Business Continuity Plan is also in operation. Development was identified as a key risk. EKHA Campbell Thompson were employed to carry out an independent stress test on the finances and then the financial projections were updated to ensure that ongoing viability would not be affected as result of development.

Treasury Management

EKHA has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Board of Management. In this way EKHA manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

EKHA, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2024, EKHA has a mix of fixed and variable rate finance, which it considers appropriate at this time.

Quality and Integrity of Personnel

Board members are required to abide by the Board Members Code of Conduct. Annual skills and training audits are implemented with corporate and individual training plans drawn up dependent on training requirements based upon the annual Board self-evaluation. The integrity and competence of staff is ensured through the Chairperson, in respect of the Board and the Chief Executive in respect of staff.

Employee Involvement and Health and Safety

EKHA takes seriously its responsibilities to employees and as a policy, provides employees with information on matters of concern to them. It is also the policy of EKHA to consult (where practical to do so) employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests. EKHA also has a comprehensive Health and Safety Policy, the implementation of which is independently audited on a regular basis.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with EKHA may continue.

It is the policy of EKHA that training, career development and promotion opportunities should be available to all employees.

Board Members and Officers' Insurance

EKHA has purchased and maintains insurance to cover its Board and officers against liabilities in relation to their duties on behalf of EKHA, as authorised by the Association's rules.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS
YEAR ENDED 31 MARCH 2024**

Going Concern

The Board of Management has reviewed the results for this year and has also reviewed the projections for the next five years. It therefore, has a reasonable expectation that EKHA has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

Future developments

EKHA will continue with the policy of improving the quality of the housing and housing services within its area of activity working with its existing and new partners. EKHA currently has provisional plans for further developments at Alberta Avenue, Bosfield Gardens, Carnegie Hill and Langlands.

Auditors

A resolution to re-appoint auditors Anderson Anderson & Brown Audit LLP will be proposed at the Annual General Meeting.

Donations

A budget of £5,000 donations for the year was agreed at the Annual General Meeting. The distribution of these funds is governed by EKHA's Charitable Donations Policy.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVE & ADVISORS
YEAR ENDED 31 MARCH 2024**

Statement of Board's responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of EKHA and of the surplus or deficit of the Association for that year. In preparing those financial statements, the Board is required to:-

- Select suitable accounting policies and the apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that EKHA will continue in business;
- Prepare a statement on internal financial control.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of EKHA and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2019. They are also responsible for safeguarding the assets of EKHA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring that EKHA's suppliers are paid promptly.

The Board must in determining how amounts are presented within items in the Statement of comprehensive income and Statement of financial position have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practises.

In so far as the Board is aware:

- There is no relevant audit information (information needed by EKHA's auditors in connection with preparing their report) of which EKHA's auditors are unaware, and
- The Board has taken all steps that it ought to have taken to make it aware of any relevant audit information and to establish that EKHA's auditors are aware of that information.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVE & ADVISORS
YEAR ENDED 31 MARCH 2024**

Statement on internal financial control

The Board acknowledges its ultimate responsibility for ensuring that EKHA has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within EKHA, or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of EKHA's systems include ensuring that:

- Formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of EKHA's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the management team and the Board to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board;
- The Board receives reports from the EKHA leadership team and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing EKHA is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board has reviewed the effectiveness of the system of internal financial control in existence in EKHA for the year ended 31 March 2024. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

By order of the EKHA Board

Signature



Lillian Delaney, Secretary

Date: 5 September 2024

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
REPORT BY THE AUDITORS TO THE BOARD OF EAST KILBRIDE HOUSING ASSOCIATION
LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2023**

In addition to our audit of the financial statements, we have reviewed your statement on page 8 concerning EKHA's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated regulatory advice notes which are issued by the Scottish Housing Regulator.

Basis of opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of EKHA's procedures for ensuring compliance with guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the statement of internal financial control on page 8 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory framework" and associated regulatory advice notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Through enquiry of certain members of The Board and officers of EKHA, and examination of relevant documents, we have satisfied ourselves that The Board's statement on internal financial control appropriately reflects EKHA's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication "Our regulatory Framework" and associated regulatory advice notes issued by the Scottish Housing Regulator in respect of internal financial controls.



Anderson Anderson & Brown Audit LLP
Statutory Auditors
GLASGOW

Date: 20 September 2024

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITORS TO THE BOARD OF EAST KILBRIDE HOUSING ASSOCIATION
LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

Opinion

We have audited the financial statements of East Kilbride and District Housing Association Limited (The Association) for the year ended 31 March 2024 which comprise the statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law in the United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - February 2019, the Charities and Trustee Investment (Scotland) Regulations 2006 (as amended).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities for the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information contained in the trustees' report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, we don't express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appear to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITORS TO THE BOARD OF EAST KILBRIDE HOUSING ASSOCIATION
LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set on page 7, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate EKHA or to cease operation, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended).

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITORS TO THE BOARD OF EAST KILBRIDE HOUSING ASSOCIATION
LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2024**

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the Association's key performance indicators to meet targets
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the Association needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:


- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Analytical procedures to identify any unusual or unexpected trends or relationship;
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.


Anderson Anderson & Brown Audit LLP
Statutory Auditors
133 Finneston Street
Glasgow
G3 8HB

20 September 2024

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024 £	2023 £
Turnover	2	3,613,342	3,267,465
Operating expenditure	2	<u>(2,688,353)</u>	<u>(2,416,216)</u>
Operating surplus	2	924,989	851,249
Loss on disposal of asset	7	(175,152)	(79,060)
Interest receivable and other similar income		15,064	2,269
Interest and financing costs	8	(550,803)	(272,939)
		<hr/>	<hr/>
Surplus For The Year		214,098	501,519
Other Comprehensive income			
Actuarial Gains/(losses) in respect of Defined Benefit pension scheme	23	(132,482)	(133,000)
		<hr/>	<hr/>
Total Comprehensive Income		<u>81,616</u>	<u>368,519</u>

The results relate wholly to continuing activities.

The notes on pages 17 to 37 form part of these financial statements

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
Non-Current Assets			
Housing properties	11(a)	29,248,866	27,917,071
Other fixed assets	11(b)	600,623	613,035
		<u>29,849,489</u>	<u>28,530,106</u>
Current assets			
Debtors	13	274,967	187,740
Current asset investments		646,988	632,246
Cash at bank and in hand		<u>3,240,800</u>	<u>2,640,289</u>
		4,162,755	3,460,275
Creditors			
Creditors: amount falling due within one year	14	(982,312)	(1,299,994)
		<u>3,180,443</u>	<u>2,160,281</u>
Net current assets			
Total assets less current liabilities		<u>33,029,932</u>	<u>30,690,387</u>
Creditors: amounts falling due after more than one-year housing property loans			
Provisions for liabilities:	15	(10,704,426)	(8,268,410)
Pension – defined benefit liability	23	(243,520)	(106,518)
Other provisions			
Deferred Income			
Social Housing Grants	18	(13,873,028)	(14,188,118)
		<u>8,208,958</u>	<u>8,127,341</u>
Total net assets			
Reserves			
Share capital	19	104	103
Income and expenditure reserve		<u>8,208,854</u>	<u>8,127,238</u>
Total reserves			
		<u>8,208,958</u>	<u>8,127,341</u>

The financial statements were approved by the Board, authorised for issue, and signed on its behalf on 4th September 2024

Lilian Delaney
Secretary

Maureen Watson
Chairperson

Micheal Gallagher
Vice Chairperson



The Notes on page 17 to 37 form part of these financial statements

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
STATEMENT OF CASHFLOWS
AS AT 31 MARCH 2024

Notes		2024	2023
	£	£	£
Net cash inflow from operating activities	16	1,044,025	2,000,689
Investing activities			
Acquisition and construction of housing properties	11a	(2,315,244)	4,196,635
Purchase of other fixed assets	11b	(13,105)	(4,166)
Loss on disposal of asset	7	(175,152)	79,060
Social Housing Grant Received	18	125,212	2,237,000
Net cash (outflow) investing activities		2,378,289	(2,042,861)
Net cash (outflow) before financing		(1,334,264)	(42,172)
Financing activities			
Issue of ordinary share	19	2	-
Interest received		15,064	2,269
Interest paid	8	(550,803)	(272,939)
Movement in borrowings	15	2,485,254	895,879
Net cash inflow from financing		1,949,517	625,209
(Decrease)/Increase in cash		615,253	583,037
Opening cash and cash equivalents		3,272,535	2,689,498
Closing cash and cash equivalents		3,887,788	3,272,535

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2024**

	Share Capital	Revenue Reserve	Total
	<u>£</u>	<u>£</u>	<u>£</u>
Balance as at 1 April 2023	103	8,127,238	8,127,341
Issue of shares	2	-	2
Cancelled shares	(1)	-	(1)
Surplus for year	-	214,098	214,098
Other comprehensive income	<u>-</u>	<u>(132,482)</u>	<u>(132,482)</u>
Balance as at 31 March 2024	<u>104</u>	<u>8,208,854</u>	<u>8,208,958</u>

	Share Capital	Revenue Reserve	Total
	<u>£</u>	<u>£</u>	<u>£</u>
Balance as at 1 April 2022	130	7,758,719	7,758,849
Issue of shares	-	-	-
Cancelled shares	(27)	-	(27)
Surplus for year	-	501,519	501,519
Other comprehensive income	<u>-</u>	<u>(133,000)</u>	<u>(133,000)</u>
Balance as at 31 March 2023	<u>103</u>	<u>8,127,238</u>	<u>8,127,341</u>

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

Legal status

EKHA is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered by the Financial Conduct Authority. EKHA is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 of The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2014 and comply with the requirements of the Determination of Housing requirements 2019 as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying EKHA's accounting policies (see below).

The following principal accounting policies have been applied:

Going concern

The Board has reviewed the results for this year and has also reviewed the projections for the next 5 years.

On that basis the Board has a reasonable expectation that EKHA has adequate resources to remain in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue

EKHA recognises rent receivable net of losses from voids. Service charge income (net of voids) is recognised as expenditure as incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government grants are released to income over the expected useful life of the asset to which it relates.

Retirement benefits

EKHA participates in the Scottish Housing Defined Benefits Pension Scheme and retirement benefits to employees are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating associations taken as a whole.

EKHA accounts for the pension scheme on a defined benefit basis on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the statement of comprehensive income within operating costs. Actuarial gains and losses are recognised in other comprehensive income. Further details are disclosed in the notes to the accounts.

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Principal accounting policies (continued)

Valuation of housing properties

Housing properties are stated at cost less accumulated depreciation. Housing under construction and land are not depreciated. EKHA depreciates housing properties by the major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as housing properties within note 11(a). Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful economic life
Land	Not depreciated
Structure	50 years
Electrical wiring	25 years
Windows	30 years
Bathrooms	25 years
Kitchens	15 years
Heating (boilers and radiators)	15 years
External doors	20 years

Depreciation and impairment of other non-current assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Office premises	2% Straight Line
Computer equipment	33.3% straight line
Office equipment	33.3% straight line

The carrying value of non-current assets are reviewed for impairment at the end of each reporting year.

Social Housing Grant and other grants in advance/arrears

Social Housing Grants and other capital grants are accounted for using the accrual method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the income and expenditure account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the income and expenditure account in the same year as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Sales of housing properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS**

1. Principal accounting policies (Continued)

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current investment, which is matched with the grant received.

Estimation uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Board to exercise judgement in applying EKHA's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

Rent arrears – bad debt provision

EKHA assesses the recoverability of rent arrears through a detailed assessment process which considers balance outstanding, tenant payment history, arrangements in place, and court action.

Life cycle of components

EKHA estimates the useful lives of major components of its housing properties with reference to surveys carried out by external qualified surveyors.

Useful lives of other fixed assets

The useful lives of other fixed assets are based on the knowledge of the leadership team at EKHA with reference to expected asset life cycles.

Pension liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

Costs of shared ownership

EKHA allocates costs to shared ownership properties on a percentage basis split across the number of properties EKHA owns.

Leases/leased assets

Costs in respect of operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the statement of financial position and are depreciated over their useful lives.

Works to existing properties

EKHA capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Development interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS**

1. Principal accounting policies (Continued)

Key judgements made in the application of accounting policies

a) The categorisation of housing properties

In the judgement of the Board the entirety of EKHA's housing stock is held for social benefit and is therefore classified as property, plant and equipment in accordance with FRS 102.

b) Identification of cash generating units

The Association considers its cash-generating units to be the entire housing portfolio in which it manages its housing properties for asset management purposes.

c) Pension liability

In May 2020, EKHA received details from the Pensions Trust of its share of assets, liabilities and scheme deficit. EKHA has used this information as the basis of the pension defined benefit liability as disclosed in these accounts. The Board considers this is the best estimate of their scheme liability.

Financial instruments – basic

EKHA only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from the banks and parties.

These are recognised in accordance with Section 11 of Financial Reporting Standard 102.

EKHA's debt instruments are measured at amortised cost using the effective interest rate method.

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

2. Particulars of turnover, operating costs and operating surplus

	Note	Turnover £	Operating Costs £	Operating Surplus 2024 £	Operating Surplus 2023 £
Social letting activities	3	3,388,629	(2,448,385)	940,244	877,485
Other activities	4	224,713	(239,968)	(15,255)	(26,236)
Total		<u>3,613,342</u>	<u>(2,688,353)</u>	<u>924,989</u>	<u>851,249</u>
Total for previous reporting period		<u>3,267,465</u>	<u>2,416,216</u>	<u>851,249</u>	

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

3. Particulars of income and expenditure from social lettings

	General Needs Social Housing	Supported Social Housing Accom- modation	2024 Total	2023 Total
	£	£	£	£
Revenue from lettings				
Rent receivable net of service charges	2,925,306	10,410	2,935,716	2,785,355
Service charges	25,800	92	25,892	26,202
Gross rents receivable	<u>2,951,106</u>	<u>10,502</u>	<u>2,961,608</u>	<u>2,811,557</u>
Less: rent losses from voids	(13,281)	-	(13,281)	(2,928)
Net income from rents receivable	2,937,825	10,502	2,948,327	2,808,629
Amortisation of social housing & other grants	438,741	1,561	440,302	337,759
Other revenue grants	-	-	-	-
Total income from social letting	<u>3,376,566</u>	<u>12,063</u>	<u>3,388,629</u>	<u>3,146,388</u>
Expenditure on social letting activities				
Management and maintenance administration costs	1,298,340	4,620	1,302,960	1,127,230
Service costs	24,864	88	24,952	21,663
Planned and cyclical maintenance including major repairs costs	122,002	434	122,436	202,412
Reactive maintenance costs	188,027	669	188,696	163,095
Bad debts – rents and service charges	1,040	4	1,044	2,545
Depreciation of affordable let properties	805,431	2,866	808,297	751,958
Operating costs for affordable letting activities	<u>2,439,704</u>	<u>8,681</u>	<u>2,448,385</u>	<u>2,268,903</u>
Operating surplus/(deficit) for affordable letting activities	<u>936,862</u>	<u>3,382</u>	<u>940,244</u>	<u>877,485</u>
Operating surplus for affordable letting activities 2023	<u>874,363</u>	<u>3,122</u>	<u>877,485</u>	

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
 NOTES TO THE FINANCIAL STATEMENTS

4. Particulars of income and expenditure from other activities

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs – bad debts	Other operating costs	Operating Surplus/ (deficit) 2024	Operating Surplus/ (deficit) 2023
	£	£	£	£	£	£	£	£	£
Stage 3 Adaptations	25,000	-	-	-	25,000	-	(25,000)	-	-
Wider role	-	143,244	-	-	143,244	-	(143,244)	0	-
Investment property activities	11,487	-	-	-	11,487	-	(26,742)	15,255	(36,960)
Insurance Income	44,982	-	-	-	44,982	-	(44,982)	-	10,724
Total from other activities	81,469	143,244	-	-	224,713	-	(239,968)	(15,255)	(26,236)
Total from other activities 2023	36,077	85,000	-	-	121,077	-	(147,313)	(26,236)	

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

5. Board members and officers' emoluments

The officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board, leadership team and employees of EKHA.

	2024	2023
	£	£
Aggregate emoluments payable to officers with Emoluments greater than £60,000 (excluding Pension contributions)	124,274	82,058
The emoluments of the CEO (excluding pension contributions)	65,349	82,058
Pension contributions paid on behalf of the CEO	14,522	13,775

The number of officers, including the highest paid officer who received emoluments (excluding employer pension contributions) in excess of £60,000 during the reporting period fell within the following ranges:

	No.	No.
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£80,001 - £90,000	0	-

There were payments to Board members during the year of £585 for reimbursement of expenses (2023 - £468).

Aggregate emoluments payable to key Management personnel & expenses (including pension) –	<u>200,267</u>	<u>256,774</u>
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6. Employees information

	2024	2023
	£	£
Staff costs during the year:		
Wages and salaries	590,524	548,100
Social security costs	63,702	60,532
Other pension costs	94,497	78,227
	<u>748,723</u>	<u>686,859</u>
	No	No
The average monthly number of full-time equivalent persons) employed by the Association during the year was:	<u>14</u>	<u>13</u>

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

7. Loss on sale of asset	2024	2023
Disposal of components	<u>(175,152)</u>	<u>(79,060)</u>
8. Interest payable and similar charges	2024	2023
	£	£
Bank loans and overdrafts	<u>550,803</u>	<u>272,939</u>
9. Operating surplus for the year	2024	2023
	£	£
Surplus is stated after charging:		
Loss on disposal of asset	175,152	79,060
Depreciation of tangible owned fixed assets	834,894	751,958
Auditors' remuneration - audit services	15,702	13,500
- Other services	0	1,200
Operating lease rentals - land and buildings	9,856	6,561
Amortisation of capital grants	<u>440,302</u>	<u>337,959</u>

10. Tax on surplus/(deficit) on ordinary activities

EKHA is a Registered Scottish Charity and is exempt from corporation tax on its charitable activities.

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

11a) Non-current assets

	Housing Properties held for Letting	Housing properties in the course of construction	Total
	£	£	£
Cost			
At start of the year	31,366,848	5,760,901	37,127,750
Additions	525,353	1,789,891	2,315,244
Disposals	(912,535)	-	(912,535)
Transfers to stock	<u>7,039,937</u>	<u>(7,039,937)</u>	<u>-</u>
At end of year	<u>38,019,603</u>	<u>510,855</u>	<u>38,530,459</u>
Depreciation			
At start of year	9,210,679	-	9,210,679
Charge during year	808,297	-	808,297
Eliminate on disposal	<u>(737,383)</u>	<u>-</u>	<u>(737,383)</u>
At end of year	<u>9,281,593</u>	<u>-</u>	<u>9,281,593</u>
Net book value			
At end of year	<u>28,738,010</u>	<u>501,855</u>	<u>29,248,866</u>
At start of year	<u>22,156,169</u>	<u>5,760,901</u>	<u>27,917,071</u>

All land and housing properties are heritable

1 Impairment charges - £nil.

2 Capitalised development administration costs - £nil.

3. Total expenditure on existing properties in the year amounted to £838,684 (2023- £798,641). The amount capitalised is £525,353 (2023 - £407,781) within the balance charged to the Statement of Comprehensive income. The amount capitalised was spent of component replacements.

4 EKHA's lenders have standard securities over housing properties with a carrying value of £25,250,000 (2023 - £29,280,000).

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

11b. Non-current assets continued
Other tangible assets

	Fixtures & Fittings	Office premises	Total
	£	£	£
Cost			
At start of the year	12,668	799,299	811,967
Additions	13,105	-	13,105
Disposals	-	-	-
At end of year	<u>25,773</u>	<u>799,299</u>	<u>825,072</u>
Depreciation			
At start of year	8,028	190,904	198,932
Charge for year	9,531	15,986	25,517
Disposals	-	-	-
As at 31 March 2024	<u>17,559</u>	<u>206,890</u>	<u>224,449</u>
Net book value			
At end of year	<u>8,214</u>	<u>592,409</u>	<u>600,623</u>
At start of year	<u>4,640</u>	<u>608,395</u>	<u>613,035</u>

12. Commitments under operating leases

	2024	2023
	£	£
At the year end, the total future minimum lease payments under non – cancellable operating leases were as follows:		
Not later than one year	9,856	6,561
Later than one year and not later than five years	17,206	5,584
	<u>27,062</u>	<u>12,145</u>

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

13. Debtors

	2024	2023
	£	£
Arrear of rent & service charges	77,338	117,213
Less: provision for doubtful debts	<u>(39,272)</u>	<u>(40,976)</u>
	38,066	76,237
Prepayments and accrued income	66,735	63,900
Social housing grant receivable	12,211	9,114
Other debtors	<u>157,955</u>	<u>38,489</u>
	<u>274,967</u>	<u>187,740</u>

14. Creditors amounts falling due within one year

	2024	2023
	£	£
Rent in advance	89,483	61,590
Housing loans	420,610	384,696
Trade payables	254,754	196,557
Other taxation and social security	16,261	16,183
Other payable	153,124	109,304
Accruals	<u>48,080</u>	<u>531,664</u>
	<u>982,312</u>	<u>1,299,994</u>

15. Creditors falling due after one year

	2024	2023
Housing loans	<u>10,704,426</u>	<u>8,268,410</u>

EKHA has a number of long-term housing loans, the terms and conditions of which are as follows:

All of EKHA's bank borrowings are repayable on a monthly basis with the principal being amortised.

Loans are secured by specific charges on EKHA's properties. All loans relate to housing properties. Loan terms are as follows:

Lender	Interest Rate	Maturity Year	Variable or Fixed
Nationwide	0.98%	2032	Fixed
Nationwide	0.98%	2035	Fixed
Nationwide	5.52%	2027	Variable
Nationwide	5.83%	2043	Variable
Nationwide	5.54%	2041	Variable
Nationwide	5.52%	2041	Variable
Virgin Money	5.75%	2040	Fixed
Virgin Money	6.7%	2040	Variable
CAF	5.25%	2044	Variable
EST	n/a	2027	n/a

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

15. Creditors: amounts falling due after one year (continued)	2024	2023
	£	£
Bank loans are payable as follows:		
Within one year	420,610	384,696
Between two and five years	1,796,691	2,187,025
In five years	8,907,735	6,081,385
	<u>11,125,036</u>	<u>8,653,106</u>
16. Statement of cash flows	2024	2023
Reconciliation of operating surplus to balance As at 31 March 2024		
Operating surplus:	920,664	851,249
Depreciation	833,814	772,427
Amortisation of capital grants	(440,302)	(337,759)
Change in debtors	(87,227)	727,096
Change in creditors	(317,682)	(50,233)
Deficit contribution	(3,000)	(43,000)
Movement in pension liability	137,757	80,939
Social housing grant released	-	-
Cancelled shares	1	(27)
Balance as at 31 March 2024	<u>1,044,025</u>	<u>2,000,689</u>

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

17. Analysis of net debt

	1 April 2023	Cash Flow	Other Charges	31 March 2024
Cash at bank	2,640,289	600,511	-	3,240,800
Housing loans due within one year	(384,696)	-	(35,914)	(420,610)
Housing loans due after one year	(8,268,410)	(2,436,016)		(10,704,426)
Current asset investments	632,246	14,742	-	646,988
	<u>(5,380,571)</u>	<u>(1,820,763)</u>	<u>(35,914)</u>	<u>(7,237,248)</u>

18. Deferred income

	2024	2023
	£	£
Social housing grants	14,188,118	12,288,998
Additions in year	125,212	2,237,000
Amortisation in year	<u>(440,302)</u>	<u>(337,880)</u>
Balance as at 31 March 2024	<u>13,873,028</u>	<u>14,188,118</u>

This is expected to be released to the statement of comprehensive income as follows:

Amounts due within one year	439,206	432,159
Amounts within one year or more	<u>13,433,822</u>	<u>13,755,959</u>
	<u>13,873,028</u>	<u>14,188,118</u>

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

19. Reserves

Share Capital

Shares of £1 each are issued and fully paid

	2024	2023
	£	£
1 April 2023	103	130
Issued in year	2	-
Shares cancelled during the year	<u>(1)</u>	<u>(27)</u>
Shares issued at 31 March 2024	<u>104</u>	<u>103</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled, and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

20 HOUSING STOCK

The number of units of accommodation in management at the end of the year end was:	2024	2023
	No.	No.
General needs – New build	611	562
Supported housing	<u>2</u>	<u>2</u>
	<u>613</u>	<u>564</u>

21 RELATED PARTY TRANSACTIONS

Members of the Board are related parties of EKHA as defined by Financial Reporting Standard 102. The related party relationships of the members of the Board are summarised as:

- 4 Members are EKHA tenants
- No Members are factored owners
- Board members cannot use their position to their advantage. Any transactions between EKHA and any entity with which a Board member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Board members were as follows:

- Rent received from tenants on the Board - £18,033
- At the year-end total rent arrears owed by the tenant members of the Board were - £279

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

22 DETAILS OF ASSOCIATION

EKHA is a Registered Society registered within the Financial Conduct Authority and is domiciled in Scotland.

EKHA's principal place of business is 2 Old Coach Road, East Kilbride.

EKHA is a Registered Social Landlord and Scottish Charity that owns and manages social housing in East Kilbride.

23 RETIREMENT BENEFIT OBLIGATIONS

EKHA participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pension Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the Framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A recovery Plan was put in place to eliminate the deficit which runs to either 30 September 2022.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, EKHA is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it has not been possible for EKHA to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore EKHA has accounted for the Scheme as a defined contribution scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date from 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March to 28 February 2025 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

EAST KILBRIDE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

23 RETIREMENT BENEFIT OBLIGATIONS

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2024	31 March 2023
	(£000s)	(£000s)
Fair value of plan assets	1,659	1,677
Present value of defined benefit obligation	1,902	1,784
Surplus (deficit) in plan	(243)	(107)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(243)	(107)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	-	-

* to be completed by the employer if required

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period ended 31 March 2023 To 31 March 2024	Period ended 31 March 2022 To 31 March 2023
	(£000s)	(£000s)
Impact of asset ceiling at start of period	-	-
Effect of the asset ceiling included in net interest cost	-	-
Actuarial losses (gains) on asset ceiling	-	-
Impact of asset ceiling at end of period	-	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2024	Period ended 31 March 2023
	(£000s)	(£000s)
Defined benefit obligation at start of period	1784	2,685
Current service cost	-	-
Expenses	3	2
Interest expense	87	75
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	63	(133)
Actuarial losses (gains) due to changes in demographic assumptions	(9)	(133)
Actuarial losses (gains) due to changes in financial assumptions	(18)	(805)
Benefits paid and expenses	(8)	(7)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of period	1902	1784

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2024	Period ended 31 March 2023
	(£000s)	(£000s)
Fair value of plan assets at start of period	1677	2,670
Interest income	81	75
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(94)	(1,104)
Employer contributions	3	43
Member contributions	-	-
Benefits paid and expenses	(8)	(7)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	1,659	1,677

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£13,000).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

	Period from 31 March 2023 to 31 March 2024	Period from 31 March 2022 to 31 March 2023
	(£000s)	(£000s)
Current service cost	-	-
Expenses	3	2
Net interest expense	6	-
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)	9	2

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period ended 31 March 2022 to 31 March 2023	Period ended 31 March 2023 to 31 March 2024
	(£000s)	(£000s)
Experience on plan Assets(excluding amounts not included in net interest cost) - gain (loss)	(1,104)	(94)
Experience gains and losses arising on the plan liabilities - gain (loss)	133	(63)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	33	9
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	805	18
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(133)	130
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in Other Comprehensive Income - gain (loss)	(133)	(130)

ASSETS

	31 March 2024	31 March 2023
	(£000s)	(£000s)
Global equity	191	44
Absolute return	75	23
Distressed opportunities	61	52
Credit relative value	58	64
Alternative risk premia	60	10
Emerging markets debt	29	13
Risk sharing	100	122
Insurance-linked securities	10	47
Property	70	70
Infrastructure	159	181
Private equity	1	
Private debt	67	75
Opportunistic illiquid credit	66	74
High yield	-	8
Opportunistic credit	-	-
Cash	43	7
Corporate bond fund	-	2
Liquid credit	-	-
Long lease property	12	56
Secured income	55	112
Over 15 year gilts	-	-
Liability driven investment	601	710
Currency hedging	(1)	3
Net current assets	2	4
Total assets	1,659	1,677

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount rate	4.91%	4.85%
Inflation (RPI)	3.14%	3.18%
Inflation (CPI)	2.78%	2.78%
Salary growth	3.78%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.2
Female retiring in 2024	22.7
Male retiring in 2044	21.4
Female retiring in 2044	24.1

24. Capital commitments

	2024	2023
Expenditure contracted but not provided for in accounts	<u>206,633</u>	<u>2,287,462</u>
Funded by:		
Social housing grant	-	-
Private finance	-	1,937,462
Other public subsidy	-	-
Reserves	<u>206,633</u>	<u>350,000</u>
	<u>206,633</u>	<u>2,287,462</u>

